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SENATE

REPORT
100-432

LEASING OF CERTAIN REAL PROPERTY TO THE NATIONAL RED CROSS, DISTRICT OF COLUMBIA CHAPTER

JULY 26, 1988.—Ordered to be printed

Mr. BURDICK, from the Committee on Environment and Public Works, submitted the following

REPORT

[To accompany S. 2496]

The Committee on Environment and Public Works, to which was referred the bill (S. 2496) to provide for the leasing of certain real property to the American Red Cross, District of Columbia Chapter, for the construction and maintenance of certain buildings and improvements, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

GENERAL STATEMENT

In 1947, the Congress enacted a joint resolution (Public Law 80-156, approved July 1) providing authority for the District of Columbia Chapter of the American National Red Cross to erect a permanent building for its own use on Government-owned land. The building, located at 2025 E Street, NW., was dedicated in 1954. According to the Red Cross, the demand for its services has tripled since that time; the building no longer provides adequate space to meet the needs of the Chapter. The original authorization provided that the Red Cross could use the land only as long as it occupied the building to be constructed there. This legislation is necessary to allow the Red Cross to demolish its present building and construct a new one on the same site.

The new building is to be constructed by the Red Cross entirely at its own expense. All costs, including taxes, insurance, and operating and maintenance expenses, will be borne by the Red Cross. Space not immediately needed by the Red Cross will be made avail-

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able to Federal agencies to lease at below market rates, reflecting the value of the land.

This legislation requires that the construction project be approved by the Commission of Fine Arts and the National Capitol Planning Commission. This requirement will help to assure that the design of the new structure will be compatible with surrounding Government buildings.

The Red Cross states that new facilities are needed in order to continue to provide to the local community the level of service it has come to expect from the organization. The D.C. Chapter facility serves over 1.5 million people in 37 counties in Maryland, Virginia, West Virginia, and the District of Columbia. Five hundred paid employees and 2,500 volunteers serve the organization from the current facility.

The Red Cross continues its traditional activities, such as disaster assistance, services to the armed forces, health and safety education, and blood collection and distribution, yet remains flexible to respond to new challenges. More than 300,000 units of blood were collected by the District of Columbia Chapter in 1987 for distribution to patients in the region. In 1986 the Chapter established a new program to collect human tissue for transplantation, and more than 600,000 people received information regarding Acquired Immunodeficiency Syndrome (AIDS) from the D.C. Red Cross Chapter last year.

Section-by-Section Analysis

The bill amends the original resolution which authorized the Red Cross to construct a building on the Government-owned land. New sections are added to the resolution as follows:

Section 11(a) directs the Administrator of the General Services Administration to enter into a lease of the property with the American National Red Cross, District of Columbia Chapter. The lease shall provide that the property shall be used by the Chapter as an office, medical, and scientific facility.

Section 11(a)(1) states that the Chapter shall pay all taxes, insurance, and operating costs, and a rent of $1 for the term of the lease.

Section 11(a)(2) states that the lease term shall be for 99 years, and all improvement on the property shall revert to the ownership of the United States at the end of the lease term.

Section 11(a)(3) gives to the Red Cross Chapter the authority to demolish the current facility, at its own expense. The Chapter is authorized to construct, own, and operate a new facility, and to enter into leases and mortgages in regard to the building. The ownership interest of the United States shall not be adversely affected by the actions of the Chapter in regard to the property.

Section 11(a)(4) requires that space not needed by the Red Cross be first made available to Federal agencies at rental rates that are less than fair market value and reflect the value of the property provided to the Chapter by this legislation.

Section 11(a)(5) states that the United States shall cooperate with the Chapter with respect to zoning or other matters relating to the development of the property.

Section 11(a)(6) requires that the plans for the new building be approved by the American National Red Cross, the Commission of Fine Arts, and the National Capitol Planning Commission.

Section 11(b) states that this legislation shall not be construed as establishing a policy of the United States Government to furnish building sites for Red Cross chapters or any eleemosynary institution.

Cost of Legislation

Section 403 of the Congressional Budget and Impoundment Control Act requires each report to contain a statement of the cost of the reported bill prepared by the Congressional Budget Office. That statement follows:

U.S. Congress,
Congressional Budget Office,
Washington, DC, July 15, 1988.

Hon. Quentin N. Burdick,
Chairman, Committee on Environment and Public Works,
U.S. Senate, Washington, DC.

Dear Mr. Chairman: The Congressional Budget Office has reviewed S. 2496, a bill to provide for the leasing of certain real property to the American Red Cross, District of Columbia Chapter, for the construction and maintenance of certain buildings and improvements, as ordered reported by the Senate Committee on Environment and Public Works, June 23, 1988. The bill would not result in costs or savings to the federal government, and would not affect the budgets of state or local governments.

The bill would direct the Administrator of the General Services Administration to lease certain property to the American Red Cross for 99 years for a total rent of $1. Currently, the Red Cross has authority to use that property in Washington, D.C. for a building. S. 2496 would allow the Red Cross to erect new structures on the property.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is James Hearn, who can be reached at 226–2860.

Sincerely,

James L. Blum,
Acting Director.

Rollcall Votes

Section 7(b) of rule XXVI of the Standing Rules of the Senate and the rules of the Committee on Environment and Public Works require that any rollcall votes are to be announced in reports accompanying legislation. During the Committee's consideration of this measure, no rollcall votes were taken. The bill was ordered reported on June 23, 1988, by voice vote.

Evaluation of Regulatory Impact

Section 11(b) of rule XXVI of the Standing Rules of the Senate requires the Committee to evaluate the regulatory impact of the reported bill. This legislation has no new regulatory implications.

Changes in Existing Law

In compliance with paragraph 12 of rule XXVI, the bill as reported makes the following change to existing law by adding the portion printed in italic below to the end thereof:

Public Law 80–156, Joint Resolution Approved July 1, 1947, To Grant Authority for the Erection of a Permanent Building for the American National Red Cross, District of Columbia Chapter, Washington, District of Columbia

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Sec. 11. (a) Notwithstanding any other provision of law, the Administrator of the General Services Administration shall enter into a lease of the real property described in the first section of this Act with the American National Red Cross, District of Columbia Chapter. Such lease shall provide that such property shall be used as an office, medical and scientific facility by such Red Cross Chapter and the tenants of such Chapter on such terms and conditions as shall be customary and necessary, including that—

(1) the lease shall be triple net to the United States and such Red Cross Chapter shall pay all taxes, insurance, and operating costs, and a rent of $1.00 for the term of the lease;

(2) the lease term shall be for 99 years, and all improvements on such property shall revert to the ownership of the United States at the conclusion of the term;

(3) such Red Cross Chapter may (at the expense of such Chapter) demolish the improvements on such property or any improvements constructed on such property or any improvements constructed on such property after the date of enactment of this section, build, own, operate, and maintain new improvements, enter into leases, finance improvements (and mortgage any improvements and the leasehold estate), and in all manner deal with the property subject only to the condition that the ownership interest of the United States in the land shall not be adversely affected;

(4) any space not needed for the operations of such Red Cross Chapter or the American National Red Cross in any building or improvement constructed on such property shall be first made available for use by Federal agencies at rental rates and other related expenses that are less than fair market value and reflect the value of the property provided to such Red Cross Chapter under the provisions of this Act;

(5) the United States shall cooperate with such Red Cross Chapter with respect to any zoning or other matters relating to the development or improvement of such property; and

(6) the plans of any proposed building or improvement for construction after the date of the enactment of this section shall first be approved by the American National Red Cross, the

Commission of Fine Arts, and the National Capital Planning Commission.

(b) The enactment of this section may not be construed as establishing a policy of the United States Government to furnish building sites for Red Cross chapters or any eleemosynary institution at any other place.

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